7 hA 5 7 D 0 2 3 0 0 6 1 0 0 0 3 - 0 Approved For Release CUNFIDENTIA

25X1A2a

CLASSIFICATION

SECRET/CONTROL - U.S. OFFICIALS ONLY

CENTRAL INTELLIGENCE AGENCY

REPORT NO.

INFORMATION REPORT

CD NO.



COUNTRY

China

DATE DISTR.

7 February 1949

SUBJECT

Outlook for China under a Communist Regime

NO. OF PAGES

PLACE ACQUIRED

25X1X6

25X1A6a DATE OF INF

Return to CIA Library

NO. OF ENCLS. (LISTED BELOW)

SUPPLEMENT TO REPORT NO.

25X1A2g

25X1A6a

Comment. The following information and interpretations are those of a prominent Peiping liberal, a delegate to the negotiations at Shihchiachuang, who recently returned to Peiping after extensive talks with MAO Tee-tung. TUNG Pi-wu and NIEH Jung-chen. His views, which are generally contrary to may be construed as a probably accurate and those expressed in reliable presentation of one segment of liberal Chinese thinking. He is a man of extensive educational background and high professional standing, and 25X1A2g 25X1A6a is less susceptible to selfish motivation than the source of

25X1A2g

comment at the end of this report.)

- 1. Source feels that the extension of the Chinese Communist regime throughout China is inevitable. This regime, though imperfect and contrary to the ideas of Western "paternal democracy," has produced in the occupied areas conditions far superior to those which existed while the areas were under Kuomintang domination. The prospects for the successful implementation of Communist policies, which source considers more modest at present than those of the "liberal" Chinese elements, are only endangered by the "child'shly leftist and impractical" ideas of these latter "liberal democratic and progressive" groups, who advocate wild theories which would lead China to disaster.
- 2. The bitter attacks being made on the United States by the Communists may be explained by their belief that CHIANG Kai-shek still controls the Kuomintang through LI Tsung-jen and others, and that the Kuomintang depends upon the United States for support. The Communists still fear that the Generalissimo will receive substantial support from the U.S. Source feels that, if U.S. aid to CHIANG or LI is withheld until the Kuomintang is overthrown and Communist domination of all China is established, the Communists will then begin to value friendly economic and political relations with the United States.
- 3. A policy analogous to the Chinese Communist rural policy is now to be introduced into cities under CCP control. The CCP intends to promote private enterprise and to give assistance to some private entrepreneurs, and is now considering a large-scale reconstruction program. In order to obtain the high morale necessary for promoting such a program, it will give preferential treatto scientists, technicians and the educated classes in general.

ET/CONTROL - U.S. OFFICIALS ONLY CLASSII IC NV X NSRB X NAVY STATE F X R DECLAS X AIR ARMY

Approved For Release 1999/09/09: CIA-RDP82-00457R002300610003-0 SECRET/CONTROL - U.S. OFFICIALS ONLY

CENTRAL INTELLIGENCE AGENCY

-2-

SUMILLIVIAL

- 4. Land reform, rather than political reform, accounts for the military success of the CCP. This success is facilitated by: (1) almost unlimited manpower, (2) ease of food collection, and (3) freedom from the necessity of garmsoning occupied areas, which is taken care of by local militia.
- 5. All of the CCP's attention is focused on domestic issues, and, in consequence, it has no "special" relations with the USSR. The CCP "culture" is compounded of three main traits: (1) old-fashioned Confucian moral and ethical principles. (2) the Russian conception of democracy and liberalism, and (3) the Western habit of efficiency.

25X1A6a

and found MAO "sincere" and his program "modest." This dispelled his doubts as to the Communist solution for China, and it is probable that a similar change of attitude will take place among other Chinese liberals. Froper evaluation of his report should take into account the fact that his statements, particularly in regard to private enterprise, an economic rehabilitation program, fostering of technical skill and the lack of GCP-Soviet connections, could represent a Communist-inspired appeal for a sympathetic U.S. attitude during consolidation of CCP control and ultimate U.S. support for a Communist China.)

